home loans upto Rs. 1 lakh availed by Economically weaker Sections (EWS) and Low Income Groups (LIGs). The loan can be taken for acquisition of house or construction of house provided the beneficiary does not already own a house. The nodal agencies for implementation of the Scheme are the National Housing Bank (NHB) and the Housing and Urban Development Corporation Limited (HUDCO), whereas loans for the Scheme can be given by commercial banks as well as housing finance companies.

A special scheme called the Rural Housing Refinance Scheme some also introduced by the National Housing Bank (NHB) in the year 2008-09. The Scheme is funded through a special allocation 'Rural Housing Fund (RHF)' of the order of Rs. 2,000 crore. The Scheme benefited the weaker sections as defined in the priority sector guidelines of Reserve Bank of India (RBI) including SC/ST, Minority, Small and Marginal farmers, Share croppers and Rural women.

More than one lakh dwelling units have been provided financial assistance out of the funds disbursed under the Scheme. About 50% of the beneficiaries are women while the SC/STs and the minority communities have share of about 11.5% each.

Further, the Union Budget has allocated Rs. 2000 crore to NHB under RHF for the current year *i.e.* 2009-10 to be utilized for providing housing to the weaker sections in the rural areas including people having annual income utpo Rs. 2.00 lakh per annum.

Amendment to FRBM Act

3402. SHRI R.C. SINGH: Will the Minister of FINANCE be pleased to state:

(a) whether it is a fact that some States are requesting the Central Government to amend Fiscal Responsibility and Budget Management (FRBM) Act and allow it to borrow money from the market in view of the global recession;

(b) if so, the details thereof;

(c) whether it is also a fact that the Central Government has allowed States to borrow money from the market; and

(d) if so, the details of money borrowed by various States in the last three years, year-wise?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI NAMO NARAIN MEENA): (a) to (d) Finance Ministers of some States requested the Central Government during pre-budget consultation held on 11 June, 2009 with the Union Finance Minister, to amend Fiscal Responsibility and Budget Management (FRBM) Act and allow them to borrow more money. The main issues raised by the State Finance Ministers are given in the Statement. (*See* below).

The Union Finance Minister in his Budget speech on 6 July, 2009 has announced relaxation of fiscal deficit target for States from 3.5% to 4% of their Gross State Domestic Product for the financial year 2009-10.

A statement showing amounts borrowed by the States from the open market during 2006-07, 2007-08 and 2008-09 is given in the Statement-II.

Statement

Amendment to FRBM Act

Sl. No.	State	Request made buy the States regarding relaxation of fiscal deficit targets under Fiscal Responsibility and Budget Management Act during the pre-Budget consultations with the Union Finance Minister
1.	Himachal Pradesh	Fiscal Responsibility and Budget Management (FRBM) target of 3.5% fiscal deficit is unrealistic due to the impact of 6th Central Pay Commission recommendations and this is hampering the investment in Power, Agriculture sectors etc. FRBM Act needs to be amended accordingly.
2.	Rajasthan	Additional market borrowings required to implement flagship programmes. Larger borrowing limits for the States to be considered. Similarly limit for fiscal deficit should also be increased.
3.	West Bengal	The entire structure of FRBM Act to be reviewed by an Expert Group.
4.	Bihar	FRBM targets should not be made operational for this year. Fiscal deficit target to be allowed further relaxation and kept at 5% GSDP.
5.	Andhra Pradesh	Higher fiscal deficit target for 2009-10 would help to go for Capital Expenditure to give additional stimulus to the economy.
6.	Gujarat	FRBM Act targets cannot be achieved. Therefore policy statement in this regard should be made.
7.	Jammu and Kashmir	It is not possible to comply with the parameters laid down in the FRBM Act. Expert Group needs to be appointed for a review there of. Fiscal deficit to be borne by the Centre fully.
8.	Karnataka	FRBM Act needs to be revised to facilitate increase borrowings by States.
9.	Kerala	FRBM policy needs review with the States given necessary freedom.
10.	Madhya Pradesh	FRBM—Loans GSDP of 3.5% be increased to 5%.
11.	Punjab	FRBM Act needs to be reviewed on an annual basis.
12.	Uttar Pradesh	FRBM Act is not favourable to States and needs review.
13.	Manipur	Increase in FRBM limits proposed.

Statement-II

Market borrowings raised by States

(Rs. in crores)

Sl. No.	States	2006-07	2007-08	2008-09
1	2	3	4	5
1.	Andhra Pradesh	2725.94	6650.00	10933.59
2.	Arunachal Pradesh	107.73	184.69	26.05
3.	Assam	856.65	963.13	2505.64
4.	Bihar	0.00	1092.00	3396.93
5.	Chhattisgarh	0.00	0.00	0.00
6.	Goa	100.00	400.00	500.00
7.	Gujarat	0.00	6775.00	8534.00
8.	Haryana	0.00	0.00	2795.00
9.	Himachal Pradesh	511.50	1399.01	1912.00
10.	Jammu and Kashmir	690.70	2226.10	1756.85
11.	Jharkhand	400.53	1192.18	1486.00
12.	Karnataka	0.00	750.00	7417.00
13.	Kerala	2167.82	4296.75	5515.93
14.	Madhya Pradesh	1420.00	1875.00	4495.25
15.	Maharashtra	1737.60	8519.66	17761.93
16.	Manipur	98.90	247.23	303.30
17.	Meghalaya	191.86	195.69	259.40
18.	Mizoram	124.74	146.87	156.18
19.	Nagaland	293.19	369.05	466.96
20.	Orissa	0.00	0.00	0.00
21.	Punjab	981.22	4121.30	5061.19
22.	Rajasthan	1499.01	3986.96	6355.80
23.	Sikkim	114.61	249.91	293.02
24.	Tamil Nadu	1814.47	4942.44	9597.73
25.	Tripura	35.00	0.00	156.00

1	2	3	4	5
26.	Uttar Pradesh	3247.91	4422.00	12693.33
27.	Uttarakhand	369.19	830.00	1010.69
28.	West Bengal	1336.00	11606.65	12397.45
	TOTAL:	20824.56	67441.62	117787.22

Sovereign guarantee to private sector companies

3403. SHRI SANJAY RAUT: Will the Minister of FINANCE be pleased to state:

(a) what is the Government's policy of giving sovereign guarantee to private sector company;

(b) whether any private company which has defaulted loans from Government financial institutions be granted such sovereign guarantee; and

(c) whether companies that had defaulted the loans taken from financial institutions were granted such sovereign guarantee by Government in the past and under what criteria?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI NAMO NARAIN MEENA): (a) and (b) As per the extant Government of India policy, sovereign guarantees are not extended to private sector company.

(c) No, Sir.

Impact of strike calls on prices of commodities

3404. SHRI RAJKUMAR DHOOT: Will the Minister of FINANCE be pleased to state:

(a) whether it is a fact that Government has assessed the impact of strike by truck operators and public sector petroleum companies officers on the price rise of commodities;

(b) if so, the details thereof; and

(c) if not, the reasons therefor?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI NAMO NARAIN MEENA): (a) to (c) It is difficult to assess the impact of the strike by truck operators and public sector petroleum companies officers on the price rise of commodities as prices are determined by several factors affecting their demand and supply. However, overall inflation, which had been declining consistently since mid-September, 2008, increased by 13 basis points and inflation in food index increased by 33 basis points in the week of the strike (January 10, 2009 over January 3, 2009).